



SEN. GEORGE RUNNER (RET.)

MEMBER
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

April 30, 2013

The Honorable Steve Knight
California State Senate
State Capitol
Sacramento, CA 95814

RE: SUPPORT SB 414 (Knight)

Dear Senator Knight,

I am writing to express my support for Senate Bill 414. This legislation provides new hire tax credits to aerospace companies that hire recent graduates in engineering majors from California universities.

In a five year period, aerospace industry jobs in California have decreased by more than 6,000. Rather than encouraging and investing in the creation of these high skill and high wage jobs, our state has moved in the opposite direction by increasing state business income and gross receipts tax collection on this industry by more than \$109 million. Due to high costs, businesses are choosing to expand everywhere but California.

Under SB 414, California aerospace companies will receive back 10% of a new employee's compensation as a tax credit for the first five years of employment. This measure also allocates up to a 50% tax credit to companies that reimburse tuition costs during a recent graduate's first four years of employment.

The expiration of the Antelope Valley Enterprise Zone last year left many local aerospace companies at a great disadvantage. By creating a series of tax incentives for the aerospace industry to hire recent math and engineering graduates, SB 414 gets at the heart of the problem and creates a fix that works.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Runner".

GEORGE RUNNER
Second District